Health Care Offering Market Strategy Study

for Litton Computer Services

April 27, 1993

INPUT®

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Background—Objectives and Methodology

A
Background and Objectives

As part of its market launch plan for a health care document interchange offering, Litton Computer Services (LCS) has asked INPUT to analyze and recommend an overall approach for promotion, marketing, pricing, and sales. Specifically, LCS is interested in assessing the following aspects of the marketing and sales strategy for an offering with the functional characteristics defined in Appendix A:

- Assessment of the length of the sales cycle for the type of offering described in Appendix A.
- Development of recommendations for the overall marketing strategy, including promotion, packaging, and pricing for hospitals and group practices.
- Recommendations for the best "profile" for sales personnel.
- Assessment of the need for consultants and of the level of custom services that will be required to make a successful market entry.
- Estimation of the marketing and rollout costs for the launch of the initial offering.

B
Methodology

To accomplish these objectives, INPUT conducted in-depth interviews with six organizations which are already in some or most of the aspects of the business that Litton proposes to enter. The companies interviewed included some of the leading vendors in the health care transaction processing and software business:

- GTE Health Care Systems, Inc.
- EDS (Health Care Division)
- CSC Health/Administrative Services
- CSC Health Systems
- IBAX Health Care Systems
- NEIC

A copy of the interview guide is contained in Appendix B.

Based on the vendor interviews and INPUT's existing data base of information from end-user inquiries, INPUT has prepared the following analysis to address the objectives of the study.

II

Survey Findings

The survey findings presented in this chapter are organized in the same order as the interview topics covered in the questionnaire.

- Products/Offerings—Current and Future
- Sales, Marketing, and Promotion
- Pricing and Competition
- Product Rollout Strategy

The survey results for each of these categories serve as the foundation for INPUT's recommendations as to how Litton should approach the market.

A
Products/Offerings—Current and Future

1. Core Products and Offerings

The companies surveyed provide a wide variety of services, including claims processing, back office software, consulting services, and systems integration. All but one of the companies provides its own claims processing service. The one firm that didn't provide its own processing capability does so through alliances. In that regard, INPUT believes that the companies interviewed are essentially in, or targeting, Litton's potential market, and therefore are good sources of information regarding sales and marketing strategies. Other items which should be noted about the products and services being offered are as follows:

- Three of the six are actively working on developing some aspect of the two-way interchange (between providers and payers) that Litton intends to implement. (One claims to have this capability in place for a limited number of transaction types, in a beta test environment.)

- All but one offer software to providers to facilitate claims processing. Two have extensive offerings in the software area which cover back office as well as clinical systems.

- All but one are targeting a "total solution" approach to their particular market niche.

- Two of the six use an applications generator to speed installation and integration of provider on-premise software and reduce installation costs.

- All provide related products and services in addition to their core products. These are typically sold on an incremental basis, and generally are software-based extensions to the core capability. However, there are significant offerings in training, custom software development (provider and payer), and transaction tracking and analysis services.

2. Selling Features

Respondents were asked to provide information on the strongest selling features of their core offerings. Since the nature of the products varied, and since most respondents insisted on remaining anonymous, its hard to draw significant conclusions without being able to link the responses directly to a specific company. However, INPUT believes that it is valuable to Litton, in terms of positioning its own offering, to understand how the respondents differentiate their offerings. The following are the key differentiating factors mentioned by respondents.

- Ease of use
- Full vertical integration (full solution approach)
- Turnkey installation
- High fault tolerance network capability
- Ability to process multiple transaction types
- Commitment to ongoing evolution of the product
- Superior 'help desk' capabilities.

3. Future Products and Offerings

The strongest single theme in terms of future products was expansion of the transaction set to handle more types of transactions and provide payer feedback loops. Other future extensions mentioned by interviewees included:

- Integrated fax communications

- Graphical user interfaces (Windows environment)

- Extension to clinical transactions

- WAN links for metropolitan-area communications (fax-mail, E-mail, patient management services)
- Extension of network capabilities to include cellular links or other wireless and portable technologies
- PC-based executive information systems

Overall, the vendors saw strong opportunities for remaining in and expanding their markets and product capabilities. Everyone interviewed was enthusiastic about the long-range potential for information management in the health care sector.

B
Sales, Marketing, and Promotion

Respondents were more than willing to discuss their sales strategies and marketing approaches. The following section summarizes the key findings.

1. Sales

Direct field sales to providers or to third parties that already have relationships with providers for other products or services is the key approach to the market. Some interesting twists in the sales area indicate that a wide variety of approaches is being taken.

- Some vendors such as IBAX, heavy on the provider software side, extend their sales capabilities by using the sales forces of the hardware vendors whose equipment hosts its software systems. In IBAX's case, there is an IBM connection.
- Many companies use alliances in the sales process. Companies with heavy transaction processing capabilities will ally with companies with provider back-office capabilities to form sales teams.
- There is also a focus on selling to third-party administrators and existing customers (hospitals and consortia).

INPUT got the clear impression that selling to large providers was an expensive and sometimes time-consuming process. However, virtually all respondents felt that once they 'bagged them', chances were a long-term relationship could be maintained by product improvements and feature enhancements.

With the exception of NEIC everyone interviewed indicated that sales personnel were required to be reasonably expert in either the health care or insurance industry. As expected, the more the product leaned toward claims

processing, the more the emphasis was on insurance expertise and vice versa on the health care side. They also indicated that:

- They had in-house staff for the purpose of providing technical expertise to support field sales. (This included doctors, nurses, health care insurance experts, and hospital administrators with skills to support the sales and proposal development process.)

- This specialized, in-house staff was also used for activities other than supporting sales. For example:

  - Representing the firm at industry conferences
  - Assisting in product development and enhancement decisions
  - Participating in proposal development teams
  - Interpreting regulatory changes that might impact product strategy
  - Providing consulting services to clients and prospects

In terms of marketing, it is quite clear from INPUT's analysis that the marketing strategy is focused on major geographic areas. Every respondent indicated that they had a geographical focus and worked through the sales process on a 'community of interest' basis. This means that Litton, on the provider side, can pick a major metropolitan area to launch the product in without any major concerns about having national coverage.

However:

- To be successful, the research indicates that an 80% transaction completion rate is necessary to achieve market credibility.

- Good connections to third-party providers are essential.

2. Sales Cycle

As might be expected, the information gathered on the sales cycle varies considerably, depending on the nature of the product. However, INPUT believes that some of the guidelines presented in Exhibit II-1 apply.

EXHIBIT II-1

Sales Cycle—Months

Offering	Sales Cycle	Comments
Pure Claims Processing	1-3	Typical for large practices and smaller hospitals. Longer for major provider institutions.
In-House Software Back Office Stand-Alone	2-4	For medium-sized practices and smaller hospitals. Four to 6 months for major institutions.
Integrated Systems Back Office Other	4-6	For medium-sized institutions and large group practices. Nine months to 1 year for major providers.

Obviously, the more complex the back office product installation might be, the longer the sales cycle. All respondents indicated that sales cycles were longer than they had anticipated during product development and implementation.

Nevertheless, the qualification cycle was quite short in duration. In general, hospitals or practices were either open to the idea of adopting a new system or simply said they didn't want to talk about it. In general, the prospects were people in hospital or group practice administration. Respondents found those entries to be primary. However, once a foot was in the door they discovered a need to be conversant on the medical side of the house.

3. Promotion and Advertising

Virtually every respondent uses traditional promotional techniques and advertising both to gain visibility and to identify specific prospects. Interviews asked specifically about telemarketing, advertising in general business publications, advertising in health care periodicals, direct mail, and participation in trade shows. Responses varied, but in general, INPUT concluded that all of these media are heavily utilized by Litton's potential competition.

Respondents were asked to indicate whether they used a particular media of promotion or not, and how they would rate the value of that particular medium of advertising or promotion on a scale of 1-5, with 1 being ineffective to 5 being very effective. Exhibit II-2 summarizes the responses:

EXHIBIT II-2

Evaluation of Promotional and Advertising Approaches

Approach/Medium	Use	Rate
Telemarketing for Prospect Identification	3 of 6	3.8
Advertising—General Business Publications	4 of 6	4.0
Advertising—Health Care Periodicals	6 of 6	4.5
Direct Mail	5 of 6	4.0
Trade Show Participation	6 of 6	3.0

The results clearly lead to a number of conclusions:

- Advertising and promotional approaches are key to creating awareness. If you could only afford to do one, the survey responses indicate that advertising in health care periodicals would be the best investment.

- Although only half of the respondents indicated that they used telemarketing, all of them commented that they intended to go in that direction. This is particularly true of the respondents who worked with smaller hospitals, group practices, etc. The focus of the telemarketing should be prospect identification.

- Virtually everyone participates in trade shows. However, the firms or organizations that INPUT interviewed had mixed reactions regarding how effective trade show participation was in terms of yielding new business. INPUT's recommendations with regard to trade shows will be presented in the next chapter.

4. Advertising and Trade Show Preferences

The collective list of publications used for advertising and the list of trade shows gathered through the survey are presented below. In general, respondents felt it necessary to do a reasonable amount of advertising and trade show participation, although no one was willing to commit to how many leads actually resulted from their investments in this activity.

a. Publications

- Computers and Health Care
- Healthcare Informatics

- Modern Healthcare
- Hospital Magazine
- Medical Claims Management
- Health Insurance Magazine

In this category, *Computers and Health Care* and *Hospital* magazine dominated the responses.

b. Conferences and Trade Associations

- QiCCLAIM Client Association
- National Medical Electronic Environment Conference
- National Hospital Association Conference
- National Provider Association Conference
- Healthcare Informatics Conference
- IBM Echo
- Managed Care Conference
- 'Laboratory Conferences'

In terms of trade shows, the biggest participation seems to be with the *National Hospital Association Conference* and the *National Provider Association Conference.*

It is interesting and probably significant to note that no one mentioned participation in AMA or other meetings strictly devoted to the medical profession.

C
Pricing and Competition

Respondents were willing to talk about their pricing strategies for various aspects of their business. However, the various offerings and products they produce and sell make it hard to make direct comparisons. The area where they can be directly compared is in claims processing transaction fees.

1. Claims Transaction Processing Fees

- The typical fee for an individual claim transaction will vary between 25 and 85 cents. The rate varies based on three parameters:

  - Volume
  - Pass-through sales agreements
  - Value-added services

- Everyone discounts on *volume*. No one was willing to discuss specific volume discount relationships, but everyone agreed that they were willing to discount on that basis.

- Several of the respondents indicated that they sold claims transaction processing services through third-party *sales agreements*. In effect, they are operating for some part of their business through other agencies who are directly interfacing with providers. As mentioned previously, some providers with few value-added software or processing options consider this a primary sales strategy.

- *Value-added services* could include a wide variety of things. Specific items mentioned were free software, training, hotline support, and/or the inclusions of turnkey installation as part of the transaction processing fee.

2. Pricing for Other Services and Software

- In general, installation costs were bundled into transaction pricing. The volume rate, discount, and length of agreement are all taken into account in establishing the transaction price. These fees also typically include first-time training costs.

- In situations where the on-site provider software represents a significant value-added inducement, firms seemed to take a variety of approaches.

  - A fixed fee for the life of the contract for transaction processing services; including all upgrades to the software for the functional capability existing at the time of the contract negotiations.

  - A fixed fee for installation *and* software integration expenses, up to 10 to 15 percent of the total contract value. Integration costs above and beyond the 10 to 15 percent were typically billed on a fixed-price basis.

In general, most firms provide follow-on SI and/or consulting services. Although most were reluctant to quote specific per diem prices, it appears that the rates being charged would be in line with typical professional services companies.

3. Competition

Essentially, little information was gained from the questions regarding competition. Interviewees generally cited the standard industry leaders as their immediate competition. Those who were heavily invested in the software aspects of the business indicated that companies like Andersen and other professional services firms were making a significant and aggressive move into the health care sector and were developing their own products on the provider side... if not now, a potentially longer-term threat.

III

INPUT's Recommended Marketing Strategy

A
Introduction

The following recommendations are based on insights gained through the survey discussed in the preceding chapter coupled with INPUT's internal knowledge of similar product introductions within the industry. The recommendations are made without full knowledge of Litton's internal marketing and sales capabilities, and assume that the activities associated with development of the offering are being handled through other internal Litton studies.

The remainder of this chapter is divided into two sections.

- Overall market strategy
- Implementation issues

B
Overall Strategy

- *Positioning*—The offering should be positioned as a complete solution to the health care claims management problems of mid-sized hospitals and large group practices. INPUT believes that it is important to make the commitment at the front end (regardless of the rollout capabilities of the initial offering) to extend the offering to clinical transactions.

  - Research indicates that this is a successful strategy with competitors, and continued commitment to product extensions is the best guarantee of maintaining customer loyalty.

- Clinical transactions will increase Litton's network traffic volume and address a growing need for this capability in the market.

- Emphasis on the interactive capability between providers and payers will give the product differentiation from what is currently available, despite potential competitors' intent to implement these capabilities.

- *Initial Target Market*—All the evidence indicates that this is a regional business. This is good news for Litton. It will permit Litton to focus on a local geography. INPUT sees no reason why Litton shouldn't do the initial rollout right in the Los Angeles area.

- *Professional Services Requirements*—It is clear that professional staff with industry expertise in health care and insurance is a prerequisite to success. Litton has two choices: increase staff to meet the requirement, or form an alliance to obtain the expertise for the initial phase of the offering introduction. Assuming Litton currently lacks this type of in-house expertise, INPUT recommends an alliance for the rollout phase. There are a number of firms in the Los Angeles area that might be interested.

- *Sales Staff*—INPUT recommends that Litton treat the sales responsibility as an independent activity. In other words, Litton's normal sales force would not be used, at least through the initial rollout. Handling the Los Angeles area would not require more than one senior account executive, based on the information gained during the survey. The quickest way to obtain this capability would be to hire directly from a competitor and team the individual with an existing junior sales representative from the Litton staff.

- *Transaction Pricing*—The survey results indicate that transaction prices for traditional claims processing run between 25 and 85 cents per transaction. The variation in price is a function of both volume and committed contract length. Presumably Litton would go with a competitive pricing strategy for the traditional transactions. The question of what to charge for 'unique' transactions (ones not offered at present by other vendors) is a more difficult one. INPUT believes, however, that some of the types of transactions being considered could be priced at two to four times the rate of the typical claims submission transactions. Regardless of the ultimate pricing strategy selected, early orders should be priced to win and gain reference sites.

- *Software Pricing*—The core element of the provider-side software will be the module which initiates and receives transactions. Most of the competition bundles this software (its installation and support for the life of the contract) within the transaction pricing. INPUT believes Litton will need to take a similar approach. Add-on modules providing

increased functionality probably should come through traditional licensing agreements.

Obviously for large sites requiring significant integration, Litton will need to bid a custom installation fee. The industry standard seems to be a fixed fee.

Chapter IV describes an overall rollout plan for the offering in a single geographic area. INPUT believes that it will take between 9 and 12 months to know whether the rollout was successful. Assuming it is, a refined rollout strategy should be produced to replicate the plan for other metropolitan areas.

(Blank)



Estimates of Product Introduction Marketing Costs

The following estimates are based on the recommended strategy outlined in the preceding chapter. Having no information on Litton's per diem costs for various kinds of professionals, INPUT has estimated the costs on the basis of assumptions regarding the use of outside professionals for various aspects of the rollout, and internal personnel for others. These parameters would need to be adjusted to reflect Litton's internal cost structure to make a more refined estimate.

A
Litton Rollout Plan

The following section describes a suggested rollout plan for the offering. The tasks shown are in general chronological sequence, with targeted months assigned to each task, (assuming the decision to start the rollout is month zero), and estimated costs are provided for each task. In most cases the latter figure is a one-time figure to cover the costs of a specific rollout activity. The exception is the compensation for a salesperson, which is recurring, on a monthly basis. Built into this figure are salary, commission, and overhead for a typical sales head count in the information services industry. This is a plan outline which should be expanded upon in detail for an actual product launch, but the basic ingredients are here.

1. Identify a Test Region

One major metropolitan area should be selected for a market feasibility test, for a 9-12-month period. Further expansion will be based on results in that region. Initial location should be close to a Litton support facility and management team, for close monitoring and tracking of the project. Los Angeles was suggested in Chapter III.

Month: 1
Cost: $0 (Assuming Los Angeles is picked without further study)

2. Hire and Train Sales Staff

An experienced sales professional, with reasonable knowledge of the health claims market, should be selected for the initial probe. Training would include product familiarization, demonstration skills, and build-up of a primary prospect list. The $8,000 monthly expense will continue on a regular basis. Since it is difficult for one salesperson to cover more than 80 (theoretically) qualified prospects, a second person may be needed, based on careful local market analysis. (In Chapter III, it was suggested that a junior person from the existing Litton staff be assigned during the pilot rollout to support the initial sales effort.)

Month: 1 - 4
Cost: $8,000/month

3. Sales, Travel, and Entertainment Expense

Month: Ongoing
Cost: $1,000/month/per person

4. Prospect Identification

Primarily an internal effort, reviewing secondary sources (including association lists and directories) based on size and line of business parameters.

Month: 2 - 4
Cost: $2,000 (One Time)

5. Develop Sales Collateral Material

A four-color brochure describing the product offering in buyer's terms, with an emphasis on Litton's corporate strengths and processing services experience, used as a leave-behind piece on sales calls and for selected mailings.

Month: 3 - 4
Cost: $10,000 (One Time)

6. Develop Demo Diskette

This is a GUI-based, self-paced demo of product features and benefits, which can be mailed to the prospect for review on any VGA personal computer, preferably with full color. A storyboard approach can be created with a variety of demo software tools.

Month: 3 - 5
Cost: $10,000 (One Time)

7. Product Announcement/Press Conference

When the direct sales effort is ready to begin, a press conference and press release should be orchestrated, with health care "opinion leaders" from the regional trade press, provider institutions, and consulting fields invited to attend. Litton executives should present a positioning statement on the product and its market, and its synergy with Litton's strategic plans.

Month: 5
Cost: $5,000

8. Direct Mail Campaigns

Two separate mailings, roughly three weeks apart, should be sent to a broad prospect base. Each mailer should contain a reply card and a call for action. The objective is to gain a sales visit to qualified prospects.

Month: 5 - 6
Cost: $6,000

9. Telemarketing Follow-Up

Using in-house staff or an external service firm, all mailing list candidates from the direct marketing effort should be contacted by telephone, to gain a sales visit.

Month: 6
Cost: $3,000

10. Seminar

If response to the mail-telephone campaign is less than satisfactory, an educational seminar should be considered, where prospects could learn about the offering in a non-sales, educational environment. This would involve another mailing, telephone follow-up, and perhaps radio or newspaper ads.

Month: 8
Cost: $5,000

11. Trade Journal Advertising

Select the top two trade journals, and run ads in both, 3 times each. Two ads should be developed for this purpose. While this will reach prospects both inside and out of the test area, the ads can be institutional in nature, preparing the market for a general rollout after months 9-12. Early respondents outside the test area can be told they will be contacted as soon as the national rollout begins. Inside the target area, this type of saturation advertising will build credibility and create some sales leads, although probably of low quality.

Month: 5 - 12
Cost: $9,000

12. Develop Success Profiles

The first few orders should receive great fanfare, with press releases for each. While it may be premature to talk about benefits achieved, the new customers should talk about benefits expected.

Month: 9 - 12
Cost: $3,000

B
Overall Rollout Marketing Costs

Although some of the estimates may be conservative, INPUT believes that all the activities listed in section B will be required in order to have an integrated product introduction for maximum impact on the market place.

Using the estimates presented above, the rollout cost would be $53,000 on a one-time basis, and involve between $9,000 and $10,000 per month to support a single salesperson.

Assuming a 12-month rollout period, Litton is committing to somewhere in the neighborhood of $175,000 in direct costs for the rollout.



Appendix: Offering Description

The following presents a summarized description of the product discussed in this study.

Attachment A

FUNCTIONAL PRODUCT DESCRIPTION
Litton Health Care Offering

Over time, the product will provide a full set of functions with regard to processing the business transactions of health care providers. (It is anticipated that the product, when successful, will be extended to handle clinical transaction as well.) The analysis to be conducted as part of this study will focus on the Basic Functions, and Optional Functions categorized as A in the table.

	Provider Side		Network Side
A- Basic Functions	• Capture in electronic format		
	• Check claims		
	• Transmit claims	→	• Receive claims and double check
	• Receive and post acknowledgment	←	• Send acknowledgment
			• Forward claims to carrier
			• Receive EOBs from carrier
	• Receive and post EOBs	←	• Send EOBs to provider
	• Generate eligibility request	→	• Receive eligibility request
			• Forward request to carrier
	• Receive verification status	←	• Send response back to provider
A - Value-Added Functions Phase II			• Receive EFTs from carriers
	• Receive and Post EFTs	←	• Send EFTs to provider
	• Prepare pre-adjudication request	→	• Receive request
			• Forward to pre-adjudicator
	• Receive response and post	←	• Receive response—send to provider
	• Prepare credit/collection information	→	• Receive request
			• Forward to credit/collection agency
	• Receive response and post	←	• Receive response and send to provider
	• E-Mail	↔	• E-Mail
	• Receive electronic software updates	←	• Send electronic software updates
B - Additional Components	• Single-entry billing and AR • Practice management, ad-hoc reporting • Patient management and scheduling • Account payable, etc. • Local clinical information management • Inventory management		
C - Additional Components	• Interface to third-party applications		



Appendix: Questionnaire

The following questionnaire was used to gather information from health care vendors for the analysis presented in this study.

Health Care Offering Market Strategy Study - Interview Guide

Background and Use

This guide was prepared to gather information from vendors on how they promote, sell, price, and service offerings similar to Litton's "health care document interchange offering." (*Attachment A* provides a description of the offering in terms of functional capabilities.) It is meant to be an open-ended guide. Interviewers should gather any additional information they can that would be useful in assessing the overall marketing and sales strategy for the vendors product.

Product/Offering Description

1. Could you describe the principal features and functions of your offering for health care document interchange? *(Since it is unlikely that any vendor's product will closely map into the features and functions of the Litton offering, interviewer should make sure that he/she gets the best description possible.)*

2. What would you say are the strongest selling features (capabilities) that differentiate your offering from others available to potential prospects?

3. In addition to the basic offering, are there related products or services which are sold or offered free as part of the service?

   _____ Y/N

   If so, please describe and indicate whether they are priced separately or bundled with the basic offering. *(Interviewer should prompt for products/services such as; installation, training, on-site software or hardware, hotline or other types of on-going customer service, etc. Indicate in the last column of the table whether the product/service is charged for (Y/N) and if so how it's charged for; per transaction, license fee, hourly rate, etc.)*

	Product/Service	Charged (Y/N) How Charged
3a		
3b		
3c		
3d		

4. Please describe any improvements (new features, services, capabilities, etc.) that you plan for this offering.

5. Does installation of the offering generally require customization of software at the user's site?

   _____ Y/N

6. If so, please describe a typical customization effort in terms of scope, duration, or size.

6a. Please describe a systems integration, consulting, or other professional services offered as part of this product/service.

_____

_____

_____

Sales, Marketing, Promotion

7. Is your offering sold through field sales?

_____ Y/N

If no, please have interviewee describe primary sales method below and skip to Question 8.

_____

_____

_____

7a. Are partnerships, alliances or other types of joint ventures used to sell this product? If so, please describe.

_____

_____

_____

8. Which of the following best describes the approach to the sales process.

Geographic by metropolitan area
Geographic by major region (multiple states)
Other: Please describe.

_____

_____

8a. Who are the target prospects?

_____

_____

_____

9. To what degree do sales representatives have technical expertise in the health care industry?

Highly competent, capable of consultative selling

Moderately expert

Capable only of qualifying prospects and identifying general needs

10. In addition to sales reps are there specialized consultants with in-depth knowledge regarding the health care industry and claims processing to support field sales?

_____ Y/N

If so, please describe how they're organized and deployed.

_____

_____

_____

11. What would you estimate the length of the sales cycle to be once a legitimate prospect has been identified?

_____ (Months)

12. Would you be able to give a brief description of the key elements of the sales cycle?

_____

_____

_____

13. For each of the following promotional or advertising strategies, please indicate whether you use the approach (Y/N), and if you use it how important you think that approach is on a scale of 1 - 5 with 5 being very unimportant and 5 being very important.

	Promotional/Advertising Approach	Y/N	Rate 1-5	Comments/Reasons
13a	Telemarketing for prospect ID			
13b	Advertising - general business publications			
13c	Advertising - health care periodicals			
13d	Direct mail/marketing			
13e	Trade show participation			
13f	Other:			

14. *(If "Yes" to 13c interviewer should attempt to get the list of **trade publications** which are used for advertising purposes.)*

_____ _____

_____ _____

15. *(If "Yes" to 13e interviewer should attempt to get the list of **trade shows** which are used for promotional purposes.)*

_____ _____

_____ _____

16. Do you have sales/marketing promotional literature which you would be willing to send me?

____ Y/N

*(If so, interviewer should ask to have it mailed ASAP to **interviewer** at INPUT.)*

Pricing and Competition

17. Could you describe how clients are charged for your offering? *(Interviewer should prompt for both primary pricing and the approach for add-on services, and actual list prices if the respondent is willing to discuss it. Note: Claims processing is priced many times with separate charges from provider to company and then from company to insurer.)*

17a. Claims Transaction Processing _____

_____

17b. On-Site Back Office Software _____

_____

17c. Installation and Systems Integration _____

_____

17d. Training/Customer Support/Hotline _____

_____

18. Is a published price list available?

_____ Y/N *(If so, interviewer should get a copy.)*

19. Is volume discounting available? And if so, for which kinds of services?

_____ Y/N Services: _____

_____

_____

_____

20. Who do you consider your chief competitors for this offering, and what in your opinion are their market strengths?

	Competitor	Market Strengths
20a		
20b		
20c		
20d		
20e		

Product Rollout

21. Could you give me some estimate of the time required to launch your offering once the decision was made to go for the market? Could you provide me with any estimate of the cost to achieve the launch?

22. Were there any unusual or unanticipated problems encountered in executing the product launch plan?

23. Were the company's expectations with regard to the product met (on target) for the first year?

(Interviewer should conclude session with an appropriate 'thank you'.)